Leading the way in Asia, Africa and the Middle East

Bank of America Merrill Lynch Conference 2013
Forward looking statement

This presentation contains or incorporates by reference ‘forward-looking statements’ regarding the belief or current expectations of Standard Chartered, the Directors and other members of its senior management about the Group’s businesses and the transactions described in this presentation. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and/or its Group and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group’s financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group’s business; risks arising out of the Group’s holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion and engaging in acquisitions; global macroeconomic risks; risks arising out of the dispersion of the Group’s operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with the UK Banking Act 2009 and other similar legislation or regulations; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices, equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and amongst other financial institutions or corporate borrowers; cross-border country risk; risks arising from operating in markets with less developed judicial and dispute resolution systems; risks arising out of regional hostilities, terrorist attacks, social unrest or natural disasters and failure to generate sufficient level of profits and cash flows to pay future dividends.

Any forward-looking statement contained in this presentation based on past or current trends and/or activities of Standard Chartered should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company. Each forward-looking statement speaks only as of the date of the particular statement. Standard Chartered expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Standard Chartered’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.
Leading the way in Asia, Africa and the Middle East

Richard Meddings
Group Finance Director
Who we are

- Over 150 year heritage
- Over 1,700 branches & offices
- Presence in 70 markets
- Over 88,000 employees
- Listings in London, Hong Kong & Mumbai
- Credit ratings AA- / A1 / AA- (S&P / Moody’s / Fitch respectively)
- Around 90% of income from Asia, Africa and Middle East
- Lead regulated by the UK Prudential Regulation Authority
- Market cap: US$58bn (Sept 2013)
What we stand for

Our Strategic Intent
The world’s best international bank

Leading the way in Asia, Africa and the Middle East

Our Brand Promise
Here for good

Our Values
- **Courageous**
  We take measured risks and stand up for what is right
- **Responsive**
  We deliver relevant, timely solutions for clients and customers
- **International**
  We value diversity and work as One Bank
- **Creative**
  We innovate and adapt, continuously improving the way we work
- **Trustworthy**
  We are reliable, open and honest

Our Distinctive Strengths
- **Collaborative Network**
  Combining global capability and local knowledge
- **Clients and Customers**
  Building deep and long term relationships
- **Disciplined Growth**
  Delivering results without compromising balance sheet strength or control of risks and costs

Our Commitments
- **Colleagues**
  A great place to work, enabling individuals to grow and teams to win
- **Society**
  A force for good, promoting sustainable economic and social development
- **Investors**
  A distinctive investment, delivering consistently superior performance
- **Regulators**
  A responsible partner with exemplary governance and ethics
One region, many differences

**Current account as a % of GDP – 2013F**

- China: 3.3%
- India: -4.0%
- Indonesia: -2.9%
- Korea: 4.2%
- Malaysia: 3.6%
- Singapore: 17.0%
- Taiwan: 8.0%
- Thailand: -0.4%

**Fiscal balance as a % of GDP – 2013F**

- China: -2.1%
- India: -8.3%
- Indonesia: -2.8%
- Korea: 2.4%
- Malaysia: -4.0%
- Singapore: 5.0%
- Taiwan: -1.5%
- Thailand: -2.7%

**Exports to China and US – US$bn**

- China to US: 425
- China to China: 55
- India to US: 40
- India to China: 55
- Indonesia to US: 193
- Indonesia to China: 65
- Korea to US: 123
- Korea to China: 53

**Energy self sufficiency as a % of consumption – 2012**

- China: 86%
- India: 61%
- Indonesia: 218%
- Korea: 1%
- Malaysia: 120%
- Singapore: 0%
- Taiwan: 2%
- Thailand: 52%

Sources: BP, IMF, Standard Chartered Research
This cycle is different

Moody’s External Vulnerability Indicator (EVI)

EVI : (short-term external debt + currently maturing long-term external debt + total non-resident deposits over one year)/official FX reserves

Source: Moody’s, Standard Chartered Research
Wiser, stronger and more resilient

Increase in foreign exchange reserves 1997 – 2013F

External debt as a % of GDP

Source: Bloomberg, Moody's
### Historical performance

<table>
<thead>
<tr>
<th>Income growth (YoY%)</th>
<th>Negative</th>
<th>0 &gt; 10%</th>
<th>10% +</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>Singapore</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>Korea</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>Other APR</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>India</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>MESA</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>Africa</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>Americas, UK and Europe</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
<tr>
<td>Group</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
</tbody>
</table>
### Performance highlights

<table>
<thead>
<tr>
<th></th>
<th>H1 13</th>
<th>YoY%</th>
<th>YoY% Normalised*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>US$10.0bn</td>
<td>↑ 7%</td>
<td>↑ 5%</td>
</tr>
<tr>
<td>Jaws</td>
<td>3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normalised earnings</td>
<td>US$2.9bn</td>
<td>↑ 6%</td>
<td></td>
</tr>
<tr>
<td>Normalised return on equity</td>
<td>13.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend per share</td>
<td>28.8c</td>
<td>↑ 6%</td>
<td></td>
</tr>
</tbody>
</table>

* Normalised as per details on page 114 of the half year 2013 press release - Note: signage used throughout the presentation is Better / (Worse)
Diversity a differentiator

- Well diversified income by geography & product
- 17 markets with double digit growth
- 25 markets with income over US$50m

- In Africa, 7 markets with income > US$50m and 3 over US$100m
- 1HK client income and Hong Kong profits > US$1bn in a half for the first time

Income by geography

- Hong Kong 20%
- Singapore 11%
- MESA 11%
- Africa 9%
- India 10%
- Other APR 18%
- Americas, UK and Europe 12%

Income by product

- Wholesale Banking 64%
- Consumer Banking 36%
- Other 1%
- Trade 10%
- Lending and Portfolio Management 4%
- Cash Management and Custody 8%
- Foreign Exchange 9%
- Rates 6%
- Capital Markets 3%
- Commodities and Equities 3%
- ALM 4%
- Credit and Other 2%
- Wealth Management 7%
- Deposits 7%
- Mortgages and Auto Finance 7%
- Other 1%
- Principal Finance 2%
- CCPL* 14%

* Credit Cards, Personal Loans and Unsecured Lending
## Consumer Banking performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 12*</th>
<th>H2 12*</th>
<th>H1 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,429</td>
<td>3,592</td>
<td>3,683</td>
<td>7</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,246)</td>
<td>(2,350)</td>
<td>(2,340)</td>
<td>(4)</td>
</tr>
<tr>
<td>Operating profit before impairment</td>
<td>1,183</td>
<td>1,242</td>
<td>1,343</td>
<td>14</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(290)</td>
<td>(384)</td>
<td>(506)</td>
<td>(74)</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(9)</td>
<td>(36)</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>24</td>
<td>19</td>
<td>21</td>
<td>(13)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>908</td>
<td>841</td>
<td>858</td>
<td>(6)</td>
</tr>
</tbody>
</table>

* Prior periods have been restated for Permata (now equity accounted as per IFRS 11)
## Wholesale Banking performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 12*</th>
<th>H2 12*</th>
<th>H1 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>5,942</td>
<td>5,730</td>
<td>6,305</td>
<td>6</td>
</tr>
<tr>
<td>Income (ex. OCA)</td>
<td>5,942</td>
<td>5,730</td>
<td>6,068</td>
<td>2</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,633)</td>
<td>(3,319)</td>
<td>(2,694)</td>
<td>(2)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(285)</td>
<td>(237)</td>
<td>(224)</td>
<td>21</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(65)</td>
<td>(86)</td>
<td>(11)</td>
<td>83</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>69</td>
<td>70</td>
<td>91</td>
<td>30</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>3,028</strong></td>
<td><strong>2,158</strong></td>
<td><strong>3,467</strong></td>
<td><strong>14</strong></td>
</tr>
<tr>
<td>Operating profit (ex.OCA)</td>
<td><strong>3,028</strong></td>
<td><strong>2,158</strong></td>
<td><strong>3,230</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

* Prior periods have been restated for Permata (now equity accounted as per IFRS 11)
Relationship leader in Transaction Banking

- Primary transaction banker to 197 or 21% of Asian institutions

- Leader for wallet capture as primary banker at 72% of transaction volume

- Share of primary/secondary banker grown by 2.9% from 31% to 33.9% in last 4 years

- Leader in client satisfaction: lead for 5 of the top 10 satisfaction drivers across Sales, Service & Operations

Source: East & Partners Asian Institutions Transaction Banking Study, May 13
Group balance sheet

- Customer deposit funded franchise
- Liquid asset ratio of 28.3% and US$184bn of liquid assets
- Minimal refinancing requirements
- Basel III NSFR* and LCR** requirements already met
- No direct sovereign exposure to Greece, Ireland, Italy, Portugal or Spain

* Net stable funding ratio
** Liquidity coverage ratio
*** Current account and savings account
Risk management

**Consumer Banking**

- 81% of Consumer Banking portfolio is fully or partially secured
- Only 11% of the SME portfolio is unsecured
- Average LTV on mortgage portfolio of 47%

**Average LTV on mortgage portfolio (%)**

<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H2 12</th>
<th>H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTV</td>
<td>48%</td>
<td>48%</td>
<td>47%</td>
</tr>
</tbody>
</table>

**Wholesale Banking**

- 65% of Wholesale Banking loans less than 1 year maturity
- Continue to distribute assets
- Well diversified book by geography and industry

**Wholesale Banking Loans and advances to customers**

- Commerce 23%
- Manufacturing 25%
- Mining and quarrying 10%
- Transport, storage and communication 10%
- Commercial real estate 8%
- Other 8%
- Electricity, gas and water 3%
- Financing, insurance and business services 13%
Capital generation

Capital ratios %

<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H2 12</th>
<th>H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier 1</td>
<td>11.6</td>
<td>11.7</td>
<td>11.4</td>
</tr>
<tr>
<td>Other Tier 1</td>
<td>1.8</td>
<td>1.7</td>
<td>1.6</td>
</tr>
<tr>
<td>Tier 2</td>
<td>3.5</td>
<td>4.0</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Risk weighted assets US$bn

<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H2 12</th>
<th>H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier 1</td>
<td>233</td>
<td>247</td>
<td>264</td>
</tr>
<tr>
<td>Other Tier 1</td>
<td>22</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Tier 2</td>
<td>31</td>
<td>31</td>
<td>33</td>
</tr>
</tbody>
</table>

Core Tier 1 capital reconciliation %

<table>
<thead>
<tr>
<th></th>
<th>H2 2012</th>
<th>RWA* growth</th>
<th>Dividend</th>
<th>Profit*</th>
<th>Others</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier 1</td>
<td>11.7</td>
<td>(0.8)</td>
<td>(0.4)</td>
<td>1.1</td>
<td>(0.2)</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Debt and capital issuance US$bn

<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H2 12</th>
<th>H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier 1</td>
<td>2.8</td>
<td>3.9</td>
<td>4.6</td>
</tr>
</tbody>
</table>

* Pre goodwill profit
Outlook

- We have good momentum and our clients remain highly active
- We remain focused on balance sheet foundations and supporting our customers and clients
- Our markets continue to grow and we continue to gain share in multiple products